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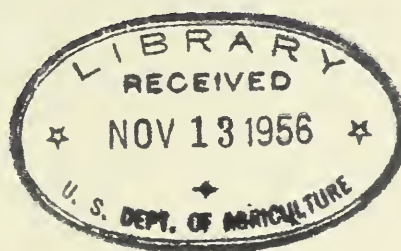
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2 U.S. PRODUCTION AND MARKETING ADMINISTRATION,
reserve 2a SHIPPING AND STORAGE BRANCH.
7-280.39
P942

3 ~~CONFIDENTIAL~~ Declassified by
Mr. Christensen, CSS -
BES 12/3/54

PROGRESS REPORT

Covers only those commodities
handled by the Shipping and
Storage Branch.



AS OF MARCH 31, 1946

This copy for the use of _____

Foreword

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FOREWORD

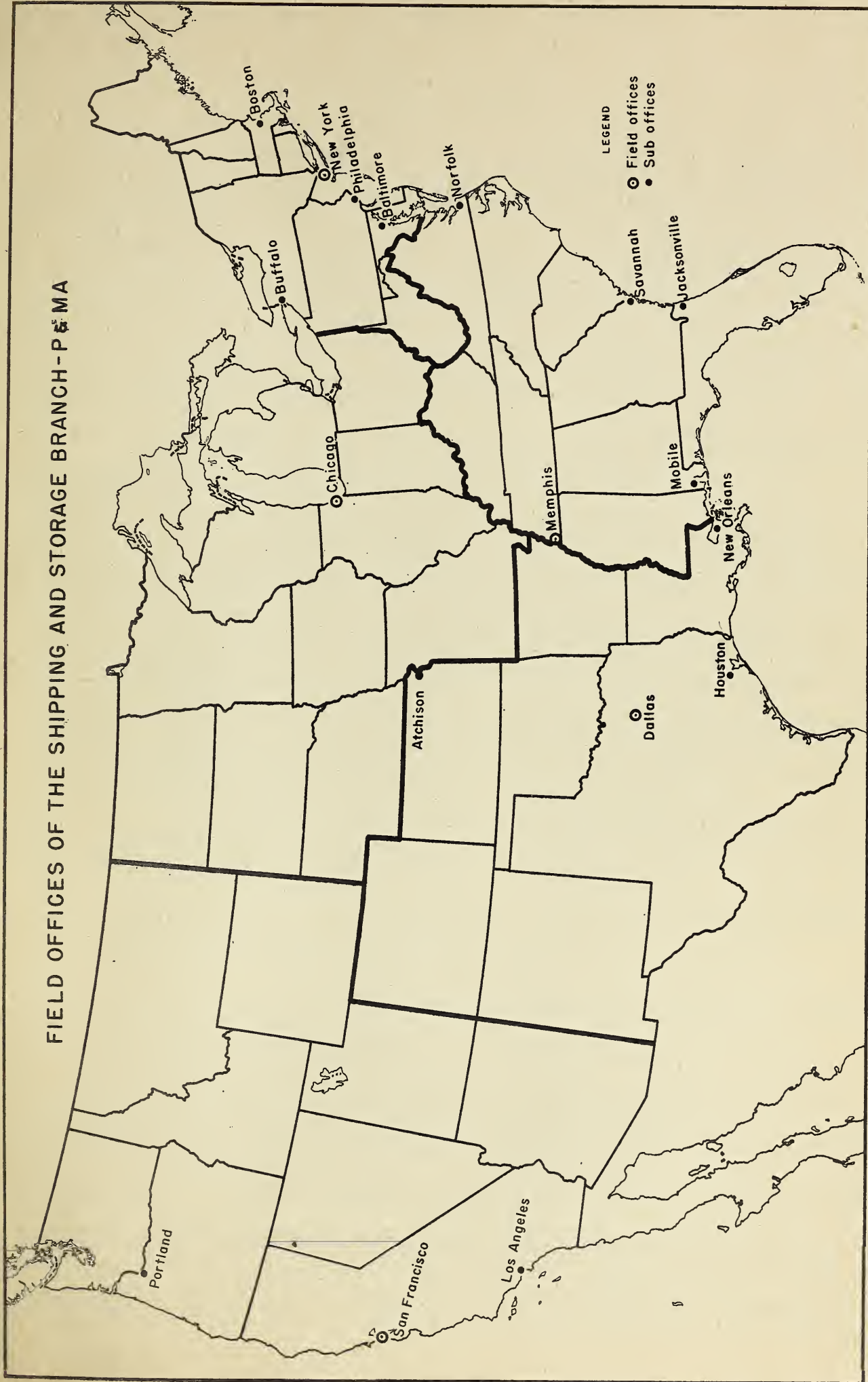
The primary aim of this report is to present a current and concise summarization of the operations of the Shipping and Storage Branch of Production and Marketing Administration during the past several months, with particular emphasis being devoted to developments during the preceding thirty days. While the facts and conclusions presented herein are intended to serve as a measurement of the efficiency of operation of the several areas, proper consideration should be given to the variable functions performed by the different field offices.

All data has been compiled either from records maintained in the Washington Office or from reports submitted by the Field Offices and pertain only to the operation and function of the Shipping and Storage Branch. Efforts have already been made to eliminate various statistical discrepancies but considerable expansion and development in scope, together with improvements in accuracy, are still desirable and will be developed in succeeding issues.

The material contained in the report, which has been prepared primarily for technical and administrative information and use of the branch, is confidential.

H. O. Warlick, Director

FIELD OFFICES OF THE SHIPPING AND STORAGE BRANCH - P & MA



LEGEND
 ● Field offices
 • Sub offices

MARCH IN REVIEW

Despite the prevalence of serious obstacles^{1/} and the development of new problems which tended to obstruct and handicap the successful and orderly functioning of the Branch, considerable progress was made in operations during March. While the total volume of pounds committed to all programs was smaller in March than in either January or February, net orders to programs were somewhat greater in March than they were in February. The number of cars shipped from vendors reached a total of 9,192, those from warehouses 4,437, and reconsignments 3,198

The Program Operations Division effected the movement and documentation of approximately 94 million pounds of commodities previously reported in the Management Report as having been in storage prior to July 1, 1945. The Salvage Section assisted the Special Commodities Branch in the sale of 16,146 pounds of caked onion salt stored at San Pedro, California, and 30,000 pounds at Bayonne, New Jersey by obtaining bids. Definite action was taken on the odd lots which were brought to the attention of the Inspection and Maintenance Division and considerable reconditioning work was either completed or in process during the month.

The Shipping Division reported that the movement of potatoes to Beaumont, Texas for export on the French Program was completed on March 18. Arrangements were also made with the Seed Division and UNRRA to lift 7,760,000 pounds of seed at Galveston, Texas and special permits were obtained from the AAR to cover such shipments inasmuch as this port was embargoed on freight exports. In addition to the facilities arranged for on the FRR at Philadelphia, an agreement was made with the Reading

^{1/} refer to the section of the report which itemizes these conditions.

Railway at Philadelphia (Port Richmond) whereby the south side of Pier A would be reserved for the exclusive use of Production and Marketing Administration. Furthermore, assurance was given that all non-perishable commodities which were covered by an FAS number and which were properly consigned would be unloaded into this space during the free time. The Railway also advised, if tonnage justified, they would reserve the north side of Pier A for our use. A representative of the Program Operations Division traveled to Newport News for the purpose of discussing the feasibility of assuming the operation of Pier X from the Army for use in handling shipments of horses and cattle through this port. While at Newport News, arrangements were made with the C&O Railroad for a plan of operation whereby adequate storage space will be made available to meet requirements for the entire UNRRA Program.

Various embargoes and shortages of transportation facilities continue. The refrigerator car situation has improved some and statistics indicate that the shortage is less acute at this time than at any time during the past six months. There has also been considerable improvement in box car availability.

Progress is developing on the decentralization of the claims functions to the various Field Offices. On March 7 the New York Office assumed the job of processing claims in their territory. Approximately 1,000 new cases were added to the claims inventory as a result of the transfer of transportation vouchers (unpaid carriers bills) with attached Government Bills of Lading from the Fiscal Branch to Claims Division. The backlog of claims outstanding, however, remained at about the same level during March.

The readjustment of the organization of the Operations Section of the Inventory Accounting Division to a commodity basis was physically initiated March 8 and the Management Report cut-off for March 31 was accomplished under this new functional arrangement. Special actions during the month include a reconciliation of the June 30 carry over for the British Services and the United Kingdom. Special listings also were prepared on deliveries of meat and cheese for use in program adjustments leading to reconciliation of figures between claimant agencies and Production and Marketing Administration prior to the end of the fiscal year.

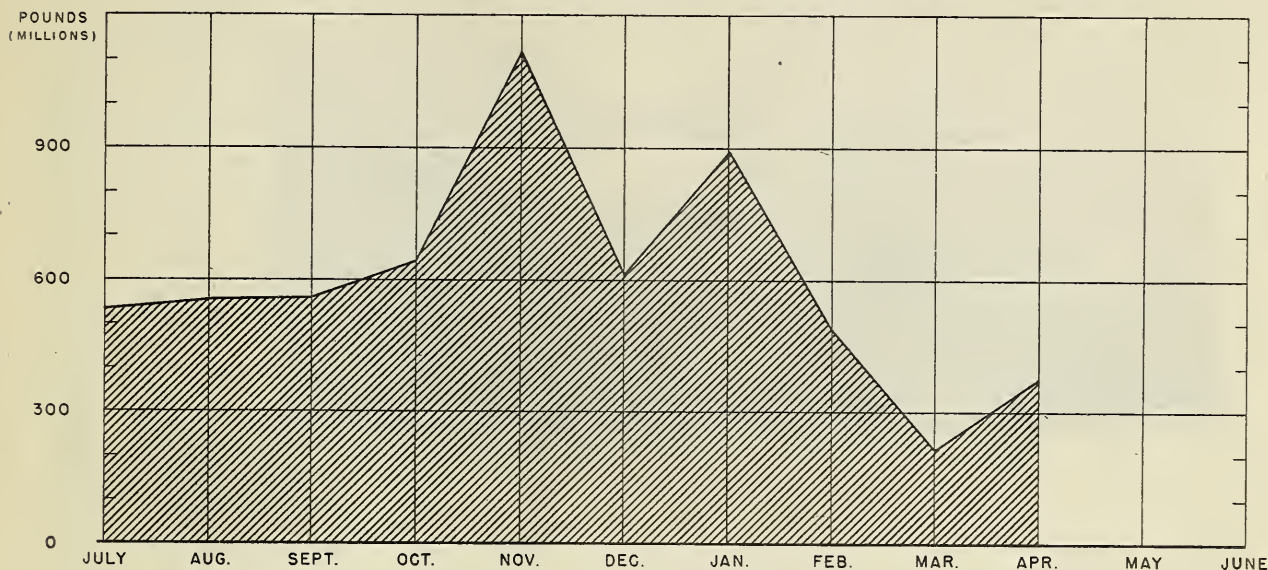
A representative of the Field Operations Division spent several days in the New York Office for the purpose of examining the operating techniques pertinent to the documentation and policing of shipments and recommendations were submitted which should substantially improve these functions at the Washington level. An agreement was formulated between the War Department and this Branch in connection with the respective responsibilities on FAS procurements, operating methods were designed to handle Shell Egg procurements, instructions were prepared revising the method of ordering Dried Eggs to repackaging plants and a proposal was submitted to the Deputy Directors regarding a reduction of documents on FAS sales and the relationship of Production and Marketing Administration with freight forwarding agents. More important procedures developed during the month included a method of claims adjudication in Field Offices, the disposal of rejected animals at ports because of disease or injuries, the preparation and transmittal of storage vouchers for each calendar month which cover the storage charges for all commodities and lots stored under a single storage contract, the processing and repackaging of commodities procedure and instructions

with respect to the UNRRA lump-sum transfer. These procedures met a definite need in the branch for guidance in handling specific functions and implemented the additional authority granted to the Branch.

PROGRAM COMMITMENTS

The total volume of program commitments reached a lower level during March, 1946 than at any other time since July, 1945. (See chart below). As noted in the previous month's report, a relatively steady level was maintained during the period July through October, followed by a rapid rise in November and an equally rapid decline in December. January's

TOTAL PROGRAM COMMITMENTS, JULY 1945-APRIL 1946



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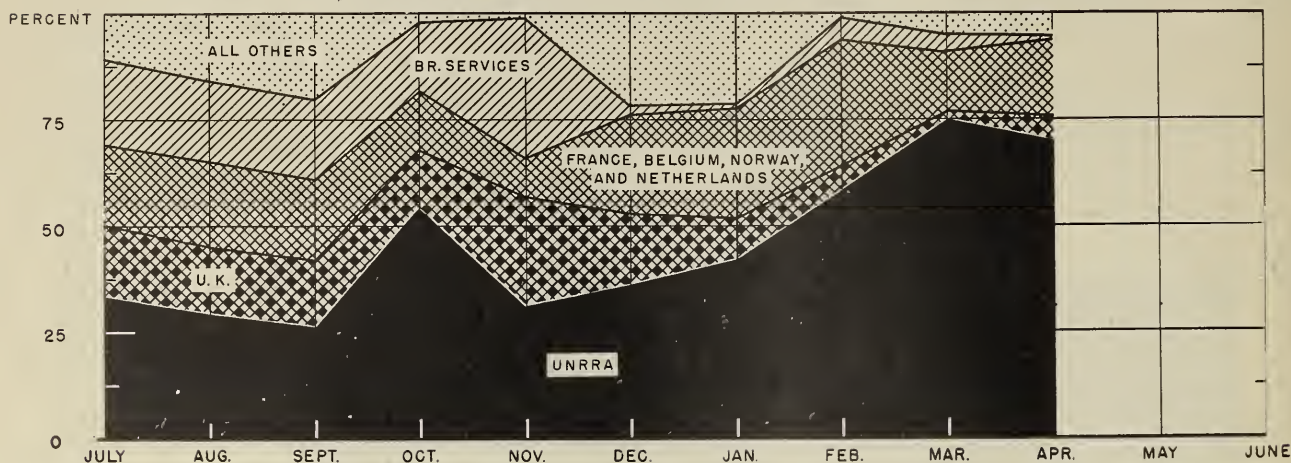
NEG 963 PRODUCTION AND MARKETING ADMINISTRATION

commitments rose to 892 million pounds, considerably higher than the 610 million in December but smaller by far than the November peak of 1,116 million pounds. February, on the other hand, had a total of only 485 million pounds and March a still smaller total of only 217 million pounds; reductions of 46 percent and 76 percent respectively as compared with January. Even though the April figure rose to 376 million, this quantity was still 58 percent smaller than the January sum and 66 percent below the November high.

The UNRRA Program continues to receive a large percentage of all commitments made. (See chart on next page). Commencing with July, 1945 when UNRRA received approximately 33 percent of the total program commitments, the relative proportion allocated to this claimant varied from a low of 26 percent in September to a high of 75 percent in March. Five months of 1945 exhibited a reasonably steady movement whereas the trend in 1946 has definitely been upward. The United Kingdom and the British Services, with commitments of 17 percent and 20 percent in July, maintained about the same positions until December and January when large reductions developed. For example, these two programs combined had only 11 percent in February, 6 percent in March, and 7 percent for April of

total commitments compared with 30 percent during October, 59 percent during November, and 19 percent during December. Commitments of the French, Belgium, Norwegian, and Netherlands Programs are approximately as large today as they were during 1945. Beginning with 19 percent in July the combined total amounted to 19 percent in September, 23 percent in December, 14 percent in March, and 18 percent for April.

DISTRIBUTION OF COMMITMENTS BY MAJOR PROGRAMS, JULY 1945-APRIL 1946



U.S. DEPARTMENT OF AGRICULTURE

NEG. 963A PRODUCTION AND MARKETING ADMINISTRATION

Wide fluctuations have occurred in the commitments of all other programs. The percentages have ranged from a high of 22 percent in December to a low of one percent in November and February. This irregular movement has been due primarily to "spot" commitments made to several programs or to wide variations within the same program over the period. The Russians, for example, had commitments during only two months; 45½ million pounds in August and 10 million pounds in December while the Italian Program with commitments during each month since September had totals running from 142 thousand pounds to 188 million pounds and the Caribbean Program totals vary from 520 thousand pounds to 38 million pounds.

NET ORDERS TO PROGRAMS

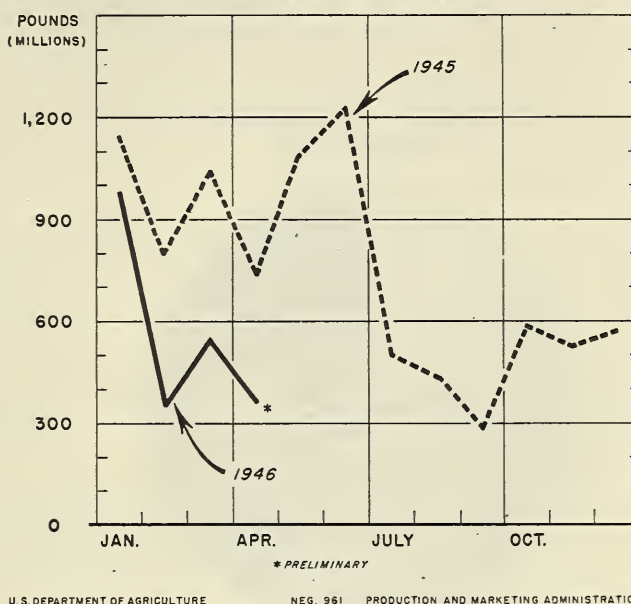
Wide fluctuations occurred during each month of 1946 in the total volume of net pounds ordered for all programs. (See chart on page 3). The pattern for the first three months of each year, however, is remarkably close with peaks being reached in January and March and low levels developing during February. While the direction of the trend was much the same, the volume of net pounds ordered was smaller by far in the first three months of 1946 than for the corresponding months of 1945. The sum of January, 1946 orders was 980 million pounds contrasted with 1,147 million pounds a year earlier, a reduction of 17 percent. The differences

between the other two remaining months were even greater. Orders in February, 1946 amounted to 355 million pounds which was 56 percent smaller than February, 1945, and the March total of 217 million pounds was 48 percent smaller than for the corresponding month a year ago.

Marked variations occurred between January, 1945 and March, 1946 in the proportion of net orders placed against each major program. (See table below).

UNRRA has shown a generally steady rise of from one percent in January, 1945 to 46 percent in March 1946, while the British Services and the United Kingdom have experienced general declines. Considerable irregularity characterized the movement of the French, Belgian, Norwegian, and Netherlands programs, with variations ranging from a low of 7 percent in April, 1945 to a high of 50 percent in June, 1945. The residual category, which includes all other programs, also exhibits wide

VOLUME OF NET POUNDS ORDERED ALL PROGRAMS,
JANUARY 1945-APRIL 1946



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NEG. 961 PRODUCTION AND MARKETING ADMINISTRATION

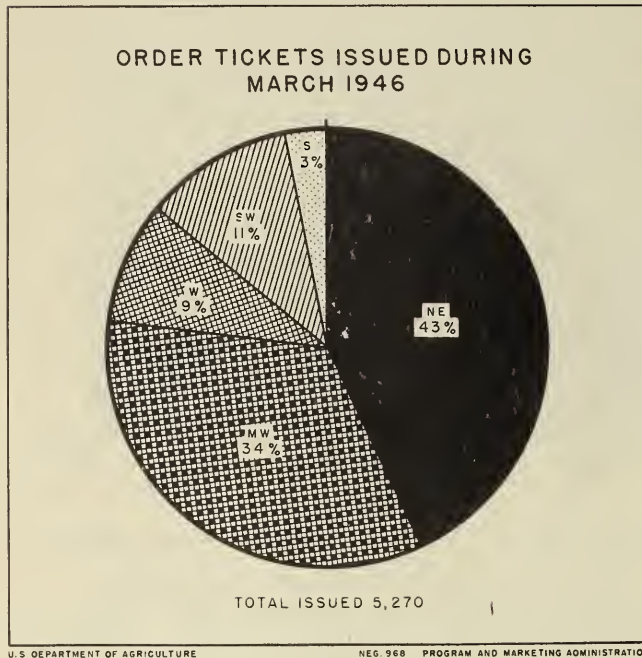
Percentage Distribution of Net Orders to Major Programs
By Months Jan., 1945-March, 1946

	<u>UNRRA</u>	<u>United Kingdom</u>	<u>French, Belgium Norway, Netherlands</u>	<u>British Services</u>	<u>All Others</u>
Jan. 1945	1%	36%	14%	11%	38%
Feb.	4	37	14	3	42
Mar.	2	27	21	11	39
April	11	18	23	9	39
May	27	14	30	14	15
June	17	12	50	12	9
July	26	15	14	20	25
Aug.	35	12	16	22	15
Sept.	15	10	13	30	32
Oct.	28	5	15	49	3
Nov.	32	23	30	8	7
Dec.	38	21	23	6	12
Jan. 1946	52	14	14	2	18
Feb.	19	15	38	4	24
Mar.	46	16	28	2	8

divergence. Such a condition has been occasioned, in part at least, by the

irregularity in which large orders have been placed for some of the more prominent programs. Orders for the Russian Program, for example, were large during the period January through April, 1945 while those for Italy have risen to significant proportions in the last several months.

ORDERS TO SHIP (TICKETS)

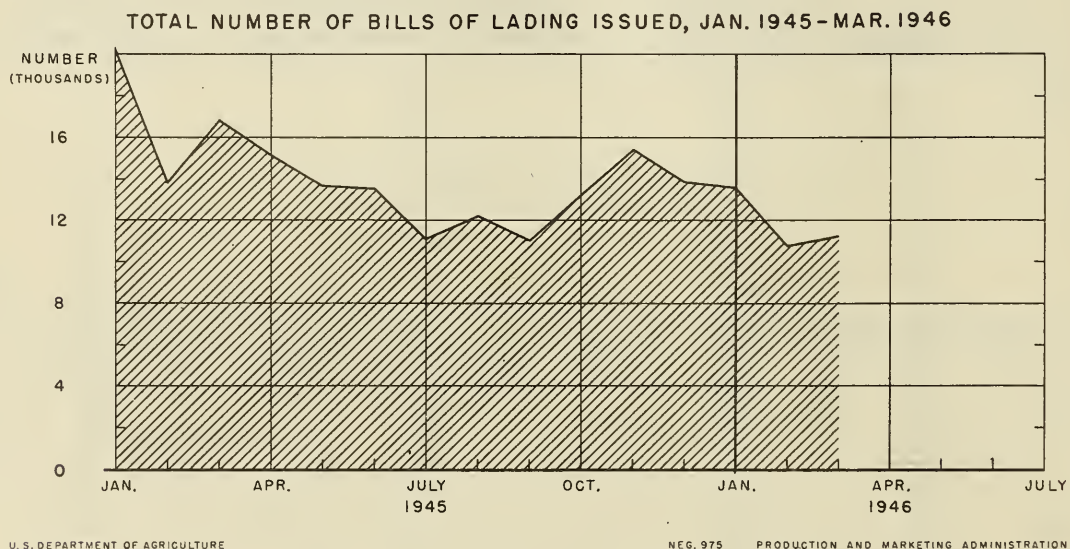


Fewer tickets were issued during March, 1946 than for the same month a year earlier. Whereas 8,727 tickets were written during March, 1945 only 5,270 were issued in March, 1946. This represents a reduction of 3,457 documents and a relative decline of 30 percent.

The Northeastern Offices prepared 43 percent and the Midwestern Offices 34 percent of all tickets issued with the remaining 23 percent being divided between the other three regions. (See adjacent chart).

BILLS OF LADING

The total number of bills of lading issued increased from 10,740 in



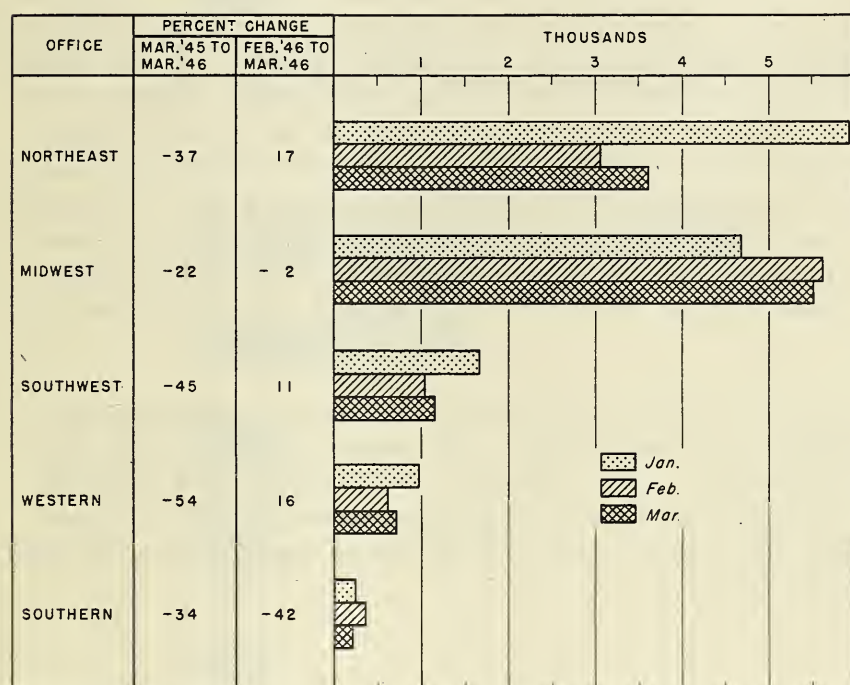
February to 11,232 during March, an increment of 5 percent. The number in

March, however, failed to reach the January figure of 13,538 and was considerably smaller than the 16,788 bills issued in March, 1945. (See chart on page 4). Nevertheless, issues in March exceeded those during July and September of last year.

The Midwest led all other Field Offices in the number of bills of lading issued during March, 1946 with a total of 5,515. The Northeast area ranked second with 3,614 and was followed by the Southwest with 1,165, the Western with 712, and the Southern with 225. All Field Offices handled fewer bills in March, 1946 than in March, 1945. (See adjacent chart).

The most significant declines occurred in the West and Southwest Offices where decreases of 54 percent and 45 percent were experienced. The Northeast with a drop of 37 percent, the Southern 34 percent, and the Midwest with 22 percent, all suffered sizeable decreases. Three Field Offices - the Northeast, West, and Southwest - issued a greater number of "ladings" during March, 1946 than during February, 1946 while two offices - the Southern and Midwest - handled fewer. These ratios range from an increase of 17 percent to a decrease of 42 percent.

BILLS OF LADING ISSUED BY FIELD OFFICES, JAN., FEB., AND MAR. 1946



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When the first quarter of 1946 is compared with the comparable quarter of 1945, marked declines are also apparent, amounting to 61 percent in the West, 42 percent in the Southwest, 28 percent in the Midwest, 22 percent in the Northeast, and 21 percent in the Southern.

COMMODITY MOVEMENTS

Shipments from Vendor

Total shipments from vendors in all sections amounted to 9,192 cars during March. The Midwest led all other areas in the number of shipments accomplished with 4,802 which was 52 percent of the total. (See chart on Page 7). The Northeast was second with 20 percent, the Southwest third with 16 percent, the West fourth with 9 percent, and the South was last with 3 percent.

Shipments from Warehouse

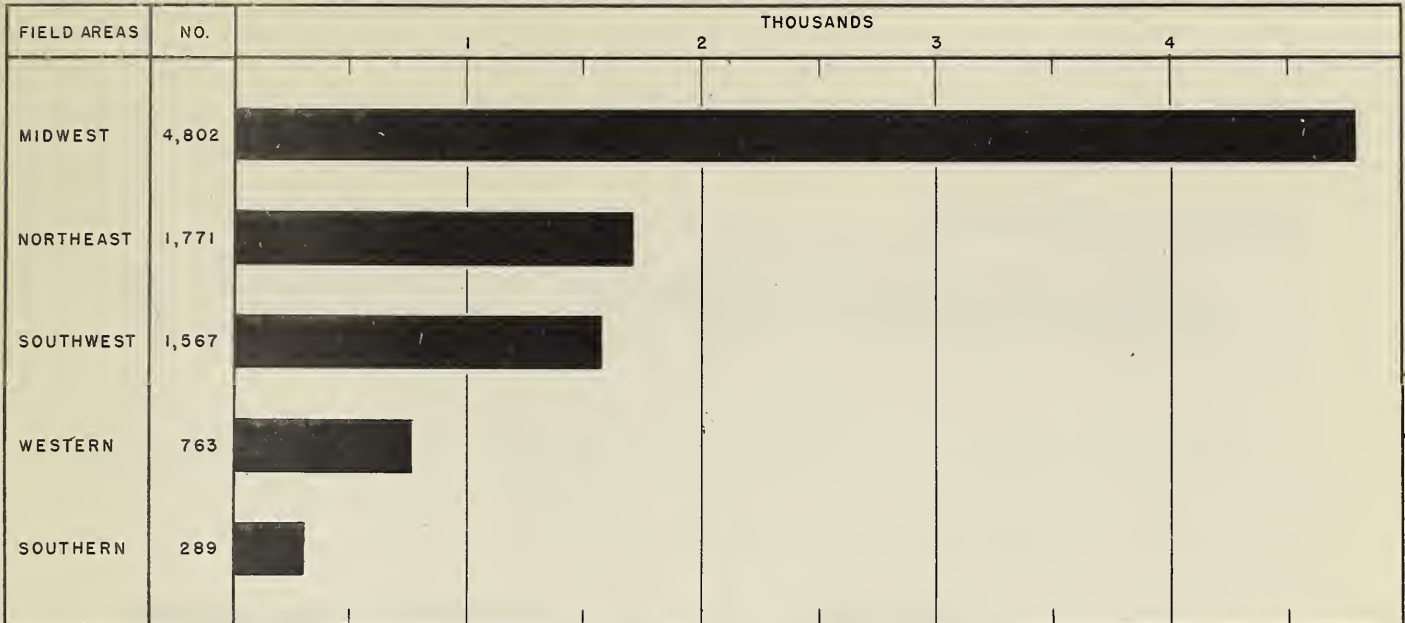
There were 52 percent more shipments from vendors than from warehouses during March. The Northeast area completed a greater number of shipments from warehouses than all of the other four regions combined. (See chart on Page 7). Whereas the Midwest led all other areas in shipments from vendors, it consummated only about half as many as the Northeast in the number of cars moved from warehouses. Considerable changes also occurred in the rankings of the other sections. The Southwest, for example, was third in shipments from vendors but fifth in shipments from warehouses, while the Western region was fourth in vendor shipments and third in warehouse shipments.

The number of cars actually shipped is not a complete measurement of either work load or efficiency of operation. The March report from the Southwest Field Office illustrates this point. Two hundred and seventy three cars were actually shipped yet title had been transferred in port storage for export on 1,578 cars and transfer of title had been effected on 14 cars in regular warehouses.

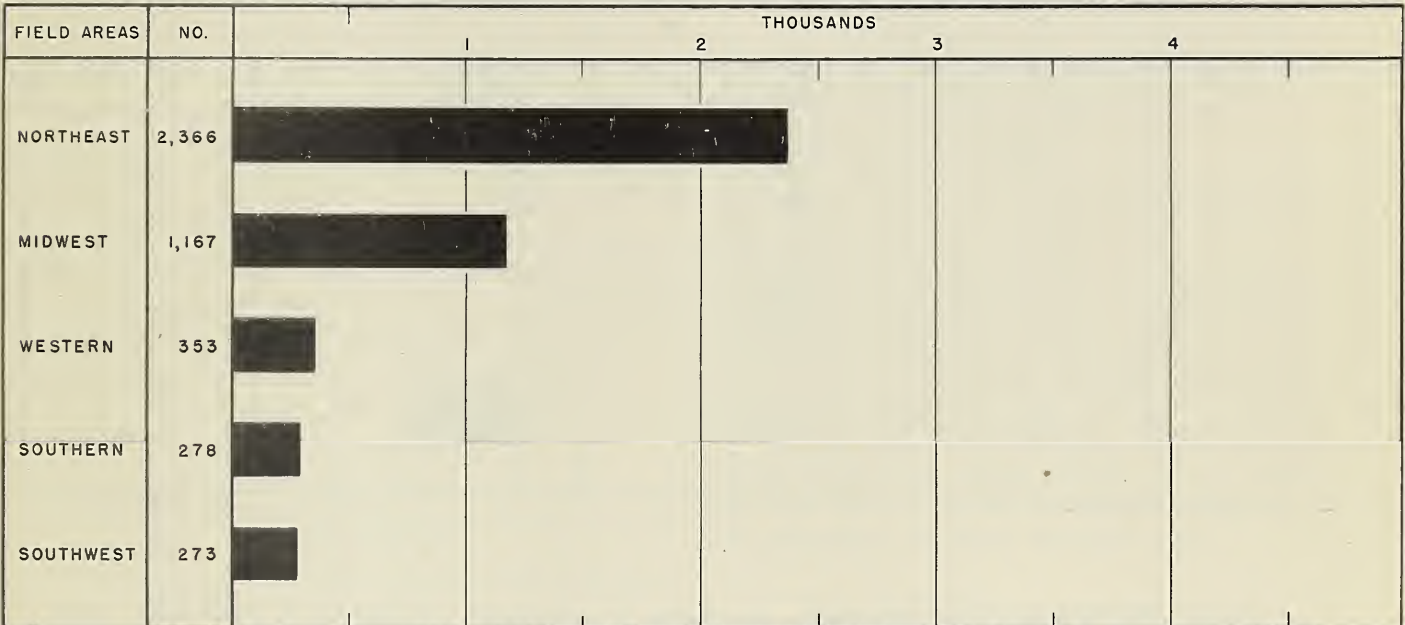
Reconsignments

Three thousand one hundred and ninety eight cars were reconsigned during the month of March. Approximately 87 percent of these were within the Northeast area, 7 percent in the Western region, 5 percent in the Southwest region, and the remaining 1 percent in the other two areas. (See chart on Page 7). Many of the cars enroute from vendor to warehouse were diverted to ports to meet urgent program requirements, while others represented late arrivals which necessitated reconsignments to storage or to other programs.

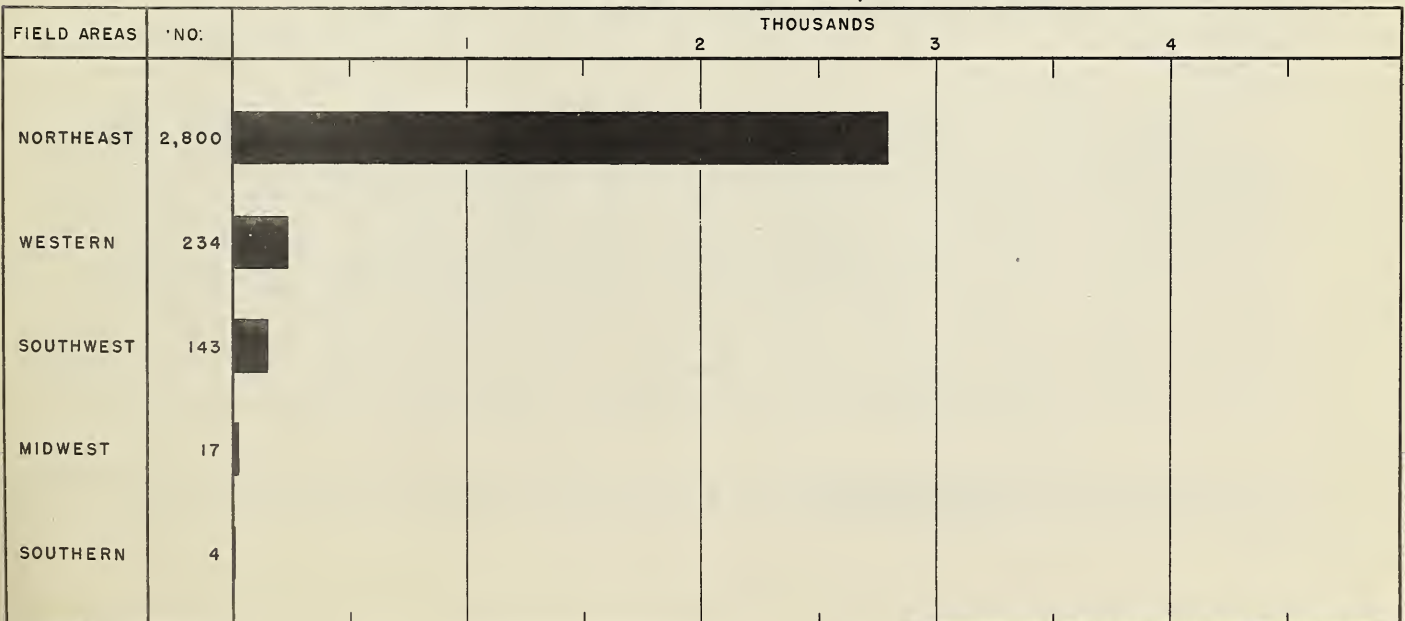
NUMBER OF CARS SHIPPED FROM VENDOR, MARCH 1946



NUMBER OF CARS SHIPPED FROM WAREHOUSE, MARCH 1946



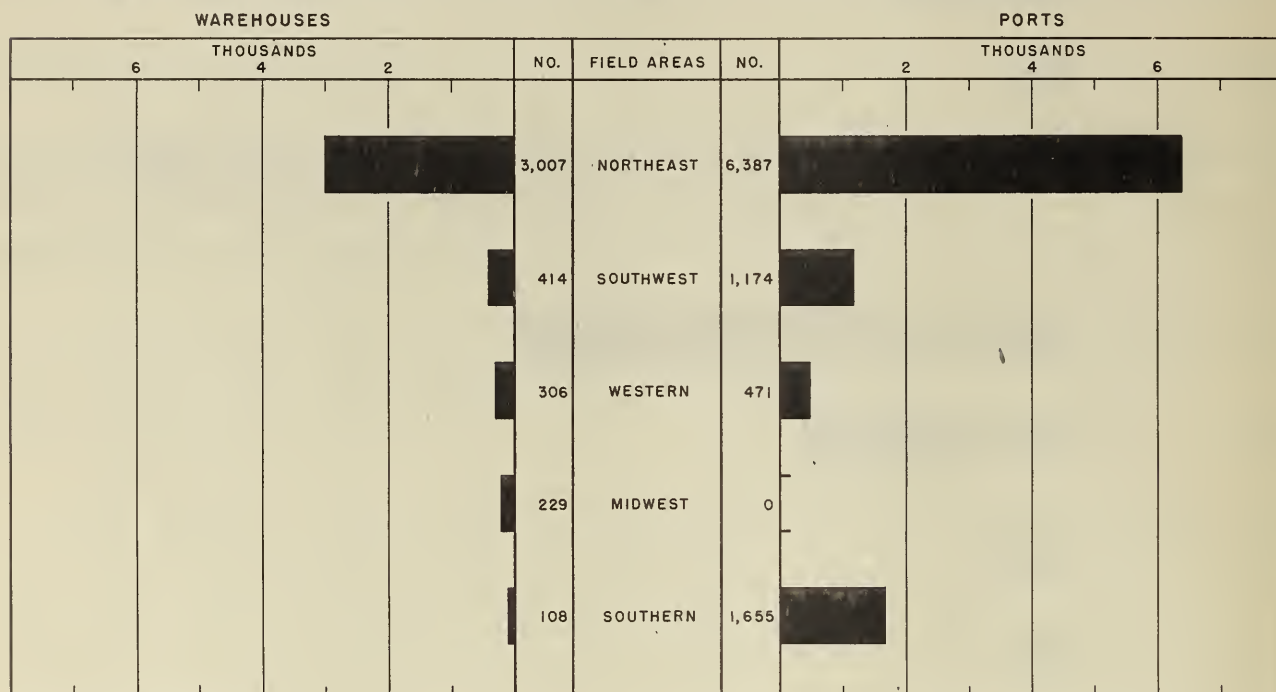
NUMBER OF CARS RECONSIGED, MARCH 1946



ARRIVALSUnloads of Warehouses

Out of a total of 4,064 unloads at warehouses during March, the Northeast area handled 3,007 or 74 percent. (See chart below). The remaining 26 percent was divided between the other areas in the following

NUMBER OF UNLOADS AT WAREHOUSES AND NUMBER OF CARS ARRIVING AT PORTS, MARCH 1946



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order: Southwest 10 percent, Western 7 percent, Midwest 6 percent, and Southern 3 percent.

Ports ^{1/}

According to reports received from the Field Offices, 9,687 cars arrived at ports in March compared with 10,654 in January. The Northeast ports (New York, Philadelphia, Baltimore, Boston, and Portland, Maine) continue to receive the bulk of all cars, with 6,387 or 65 percent being reported for this area compared with 7,937 or 74 percent for January. (See chart above). Fewer cars were also received in the Western region although sharp increases occurred in both the Southern and Southwest areas. Whereas 500 cars arrived at the Western ports in January contrasted with 471 in March, the Southern ports (Norfolk, Savannah, Jacksonville, and

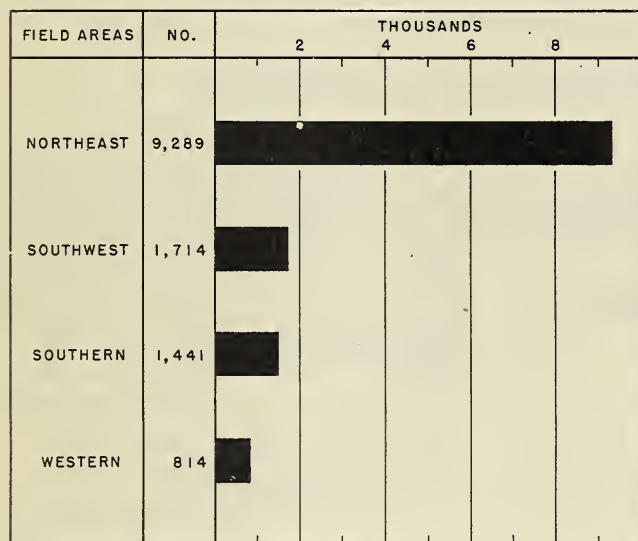
^{1/} No ports in the Midwest.

Mobile) received 1,655 and the Southwest ports (New Orleans, Houston, Galveston, and Beaumont Texas) 1,174 in March and only 1,391 and 826 respectively during January.

LIFTINGS 1/

The number of cars lifted at all ports totalled 13,528 during March, 1946. That sum was 2,459 cars more than were reported for January and represents an increase of 33 percent. About 70 percent of all cars lifted in March and 66 percent in January were channeled through the ports within the Northeast section, with New York leading all others. (See adjacent chart).

NUMBER OF CARS LIFTED AT PORTS*, MARCH 1946



*NO PORTS IN MIDWEST AREA

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The total number of liftings in all other regions, however, also showed significant gains between January and March, 1946. The Western area lifted 107 percent more cars during March than January while activity increased by 55 percent in the Southern and 26 percent in the Southwest. Even though these three regions experienced greater relative percentage increases between the two months than did the Northeast, their liftings equalled only about 30 percent of the total cars as contrasted with 70 percent in the latter area.

Car liftings exceeded car arrivals at all Field Offices in March. The Northeast, for example,

reported arrivals of 6,387 cars and liftings of 9,284 cars, a situation which warrants an explanation. This discrepancy is explained in part by the fact that rail and truck shipments originating in the immediate New York City area are not reported as arrivals but are reported as liftings. There were also numerous hold-overs in cars and in pier storage from previous month's arrivals which were reflected in liftings during March. These two factors are representative, therefore, of reasons why more perfect correlation was not presented in this issue.

1/ Does not include liftings of other Basic Commodities.

DEMURRAGE

A fewer number of cars were on demurrage during March than during either January or February. According to data supplied^{1/} by the Shipping Division there were 1,032 demurrage cars in March contrasted with 1,889 in January and 1,842 in February. The largest accumulation of cars was confined to the ports of New York, Philadelphia, Baltimore, Norfolk, and Mobile during all three months, although Boston reported 197 cars, New Orleans 75 cars, San Francisco 34 cars, and Houston 20 cars in February, and Portland, Maine, and Seattle reported 18 cars and 16 cars respectively for January. The New York port seems to be experiencing the greatest difficulty with 73 percent of the cars in January, 48 percent in February, and 50 percent in March being confined to the one area. The ports of Boston, New Orleans, San Francisco, and Seattle, all of which seemed to encounter some obstacles during January or February, appear to have overcome them in March for a negligible number of cars were reported on demurrage.

CARS ON DEMURRAGE BY PORTS, MARCH 1946

PORTS	NO. OF CARS	NO. OF CAR DAYS	AVERAGE NO. OF DAYS DEMURRAGE PER CAR					
			1	2	3	4	5	6
NORFOLK	178	1,068						
NEW YORK	525 *	2,625						
BALTIMORE	59	295						
HOUSTON	16	80						
PHILADELPHIA	225 *	900						
MOBILE	26	26						
BOSTON	2	2						
NEW ORLEANS	1	1						

* ESTIMATED - DEMURRAGE REPORTS NOT RECEIVED

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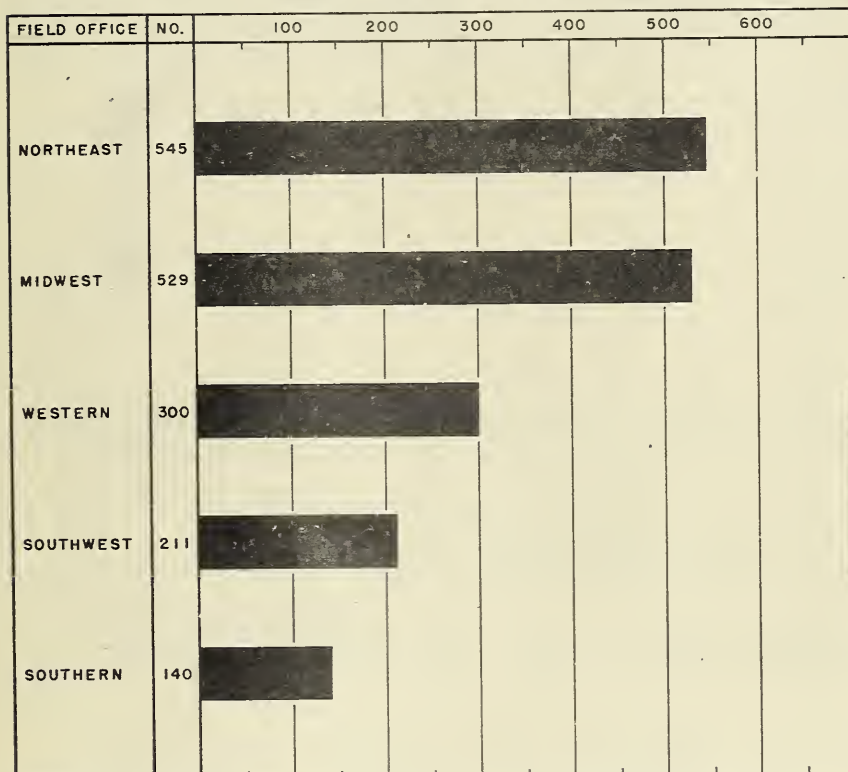
Cars still remain on demurrage longer in Norfolk than in any other port, although the average number of days per car was reduced from 8 in January to 6 in February and March. (See adjacent chart). New York, Baltimore, and Houston reported average hold-overs of 5 days and Philadelphia 4 days. New Orleans, Boston, and Mobile, all with averages of one day, retained cars for the shortest period of time. In terms of of car days, however, New York with 2,625 was far ahead of Norfolk with 1,068, Philadelphia with 900, and Baltimore with 295.

^{1/} The data given for the ports of New York and Philadelphia for all three months and for Houston during February represent estimates only, since no demurrage reports for these areas were received.

WAREHOUSE FACILITIES 1/

There were contracts in force with approximately 1,225 warehousemen covering 1,725 approved warehouse facilities suitable for storage of Production and Marketing Administration commodities as of March 22, 1946. Of this total, 1,175 units were classified as dry warehouses, 536 as cold warehouses, and 14 as combination types. The Northeast region led all other areas with 545 houses which was 32 percent of the total. (See chart below). About 31 percent of the dry and 30 percent of the cold and all of

APPROVED WAREHOUSE FACILITIES UNDER CONTRACT
AS OF MARCH 22, 1946



U. S. DEPARTMENT OF AGRICULTURE

NEG. 971

PRODUCTION AND MARKETING ADMINISTRATION

the combination warehouses were located in this section. The Midwest area ranked second with 529 warehouses, 386 of which were dry and 143 were cold. Two hundred and two of the 300 houses in the Western region were classified as the dry type with the remaining 98 representing cold units. One hundred and thirty-five in the Southwest and 85 in the Southern section were listed as dry warehouses and 76 and 55 as cold units.

1/ Actually only about 425 warehouses were occupied by our commodities on the last day of March.

INSPECTION AND MAINTENANCE

Inspection Requests and Reports

For the quarter ending March 31, 1946 a total of 224 requests for inspection were made to the Commodity Branches compared with a total of 324 made during the last three months of 1945. Two hundred and forty inspection reports were received during the fourth quarter of last year and 263 in the first quarter of the current year. There were 45 requests still outstanding at the end of March. (See table below for details).

<u>Field Offices</u>	<u>Inspection Requested</u>		<u>Inspection Report Received</u>	
	<u>4th Qtr. 1945</u>	<u>1st Qtr. 1946</u>	<u>4th Qtr. 1945</u>	<u>1st Qtr. 1946</u>
New York	179	117	121	145
Chicago	88	55	73	62
Memphis	11	10	7	14
Dallas	15	15	12	15
San Francisco	31	27	27	27
Total	<u>324</u>	<u>224</u>	<u>240</u>	<u>263</u>

Sales Referrals

Inasmuch as sales referrals are now being made at the Field level, the total number of referrals for sale made to the various Commodity

Sales Referrals

<u>Field Offices</u>	<u>Actions Begun</u>		<u>Actions Completed</u>	
	<u>4th Qtr. 1945</u>	<u>1st Qtr. 1946</u>	<u>4th Qtr. 1945</u>	<u>1st Qtr. 1946</u>
Northeast	34	39	34	38
Midwest	20	22	20	21
Southern	4	7	4	4
Southwest	8	7	7	6
Western	13	18	13	14
Total	<u>79</u>	<u>93</u>	<u>78</u>	<u>83</u>

Branches in March is unknown. However, 24 were made in February, 51 in January, 24 in December, 27 in November, and 28 in October. Seventy eight of the 79 referrals made during the fourth quarter of 1945 were completed while there were only 83 completions out of 93 requests made in the first quarter of 1946. (See table above).

Odd Lots

Information received from Inspection and Maintenance Division indicates there was a total of 995 part and disposition lots brought to the attention of this Division through warehousemen's inventory reports, subsequent examination reports, and in a few instances, by the Commodity Branches and the Program Operations Division during the period March 1, to March 28, 1946. Definite known action was begun on 697 lots, with 52 being referred for inspection, 219 being referred for sale, and 426 being disposed of to programs, sold, destroyed, donated, or reconditioned. (See table below for breakdown by Field Offices). This left a balance of

Status of Odd Lots as of March 28, 1946 ^{1/}

	<u>Total No.</u>	<u>Referred For</u> <u>Inspection</u>	<u>Sale</u>	<u>Miscellaneous</u> <u>Disposition*</u>	<u>Status</u> <u>Undetermined</u>
Total	995	52	219	426	298
Northeast	455	21	104	161	169
Midwest	341	31	53	196	61
Southern	19	0	12	7	0
Southwest	63	0	5	44	14
Western	117	0	45	18	54

298 lots whose status was not definitely known at the end of March. It is believed, however, that action was taken on fully 50 percent of these residual cases, although the exact type was unknown at the time these records were released.

Salvage

The Salvage Section sold 26 and donated five out-of-condition and/or odd lots through the Washington and Field Offices during January contrasted with 20 sales and 13 donations in February. The sales during March were all conducted by the Field Offices and totalled 19. Eight donations were made - four in the Field and four in Washington - seven of which had values of less than \$50.00 with one valued at \$69.00 which was approved and cleared by the Assistant Administrator's Office.

* Includes dispositions to program, quantities sold, destroyed, donated, and in the process of being reconditioned.

^{1/} Compiled from data available on that date.

Reconditioning and Recoopering

A tabulation of reports received from all Field Offices indicate that 6.6 million pounds of commodities were reconditioned and recoopered during March compared with 15.3 million pounds in February, and 44 million pounds in January. (See table below). Approximately 5.3 million pounds were processed in the Northeast region, 713 thousand pounds in the Midwest, 395 thousand pounds in the Southern, and 121 thousand pounds in the Western in March.

Total Volume of Reconditioning Work in all Field Offices Jan., Feb., & March, 1946

<u>Branch</u>	<u>January</u>	<u>February</u>	<u>March</u>
Dairy & Poultry	31,414,988 lbs.	9,207,841 lbs.	4,195,650 lbs.
Livestock	1,333,572	419,978	223,019
Fruit & Vegetable	807,256	1,130,430	1,549,352
Grain	6,487,725	4,280,490	311,150
Special Commodities	4,187,276	145,300	131,208
Army Surplus		87,325	214,138
Total	44,230,817 lbs.	15,271,274 lbs.	6,624,517 lbs.

Complete details on all reconditioning projects in the various Field Offices for March are not available at this time. The progress of a few jobs are known and are presented, in brief, below. The repackaging of dried whole eggs located at the St. Louis Terminal Warehouse, St. Louis, Mo., was completed during the past month and has subsequently been shipped on program. Recoopering of 953 barrels of concentrated lemon juice at the Sherriff Street Market in Cleveland has been accomplished as rapidly as possible. An earthquake at Portland, Oregon made it necessary to segregate 73,876 cases of canned salmon in the Salmon Terminals at Seattle. The results showed a total of 1,978 damaged and a loss of six cases of dented cans which were offered for sale through the Salvage Section. In the Southwest region, segregation of cheese at Oklahoma City and Enid, Oklahoma and San Antonio, Texas was completed and the reconditioning, re-cleaning, and rebagging of 985 bags of pinto beans at Rocky Ford, Colorado was ordered. Three hundred and ninety-eight barrels of Bonito Fillet have been recoopered and rebrined at the Baltimore Fidelity Warehouse at Baltimore and is now ready for program. Recoopering of dried whole eggs in barrels at the Terminal and Transportation Warehouse at Buffalo has been completed and concentrated lemon juice located at the Bronx Terminal Warehouse and the Charles and Greenwich Stores at Jersey City has all been shipped.

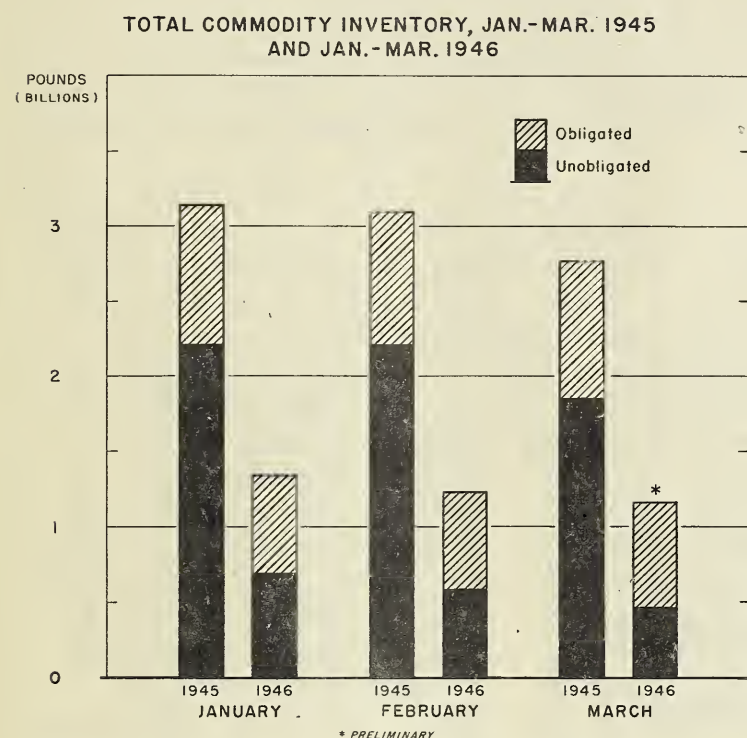
COMMODITY INVENTORY^{1/}

There has been a steady decline in commodity inventory during the first three months of the current year. Commencing with 1,336 million pounds at the end of January, 1946 the total fell to 1,223 million at the end of February, and to 1,159 million at the end of March^{2/}, a decrease of 13 percent over the three month period. It should be borne in mind that these ownership figures include program consignments as yet undeliver-

ed. There was also a 13 percent reduction between the January, 1945 total of 3,136 million pounds and the March, 1945 total of 2,758 million pounds.

However, when January and March of 1945 are compared with the same months of 1946, declines of 57 percent and 58 percent respectively appear. (See adjacent chart).

Approximately 1,842 million pounds represented unobligated commodity inventory on March 31, 1945 contrasted with only 460^{3/} million pounds on the same date a year later, a change resulting in a net decrease of 75 percent. Some 1,709 million pounds in March, 1945 and 375 million pounds a year later represented



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commodities in storage while the balances of 133 million and 85 million pounds were commodities either enroute to warehouse or those ordered but not shipped from warehouse to warehouse.

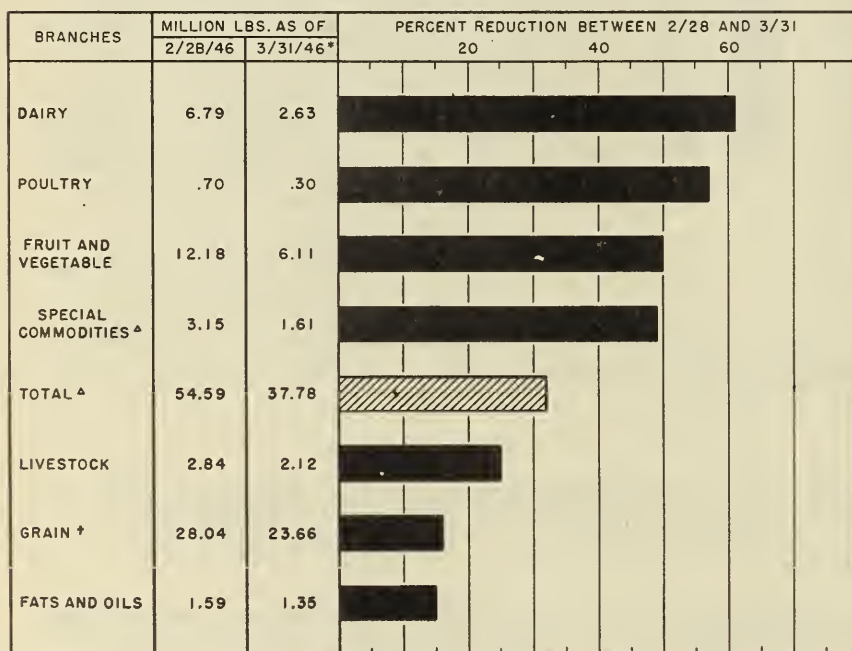
- 1/ The flour stockpile in the United Kingdom and the basic commodities - wheat, oats, rye, barley, corn and cotton - are excluded from the totals reported.
- 2/ Data for March, 1946 is preliminary and is subject to later revisions.
- 3/ Included in the total are 34 million pounds referred for sale and 52 million pounds of frozen meat obligated for program. The sales referrals are incorporated in order to make a more accurate comparison with 1945 when referrals could not be segregated, and the frozen meat is included because of the special nature in which it is handled. The data would be more nearly correct if both were deleted from the unobligated stocks and were added to the obligated inventory.

Obligated ownership also declined. At the close of March, 1945, this segment of the total was reported as slightly more than 916 million pounds. A year later it dropped to 700^{1/} million pounds, yielding a net change of 24 percent.

Significant changes also have occurred in the ratio of obligated to unobligated commodity inventory. A large proportion of the total inventory was unobligated in the first three months of 1945 with 66 pounds of each 100 falling within that category in March, 1945. During the first three months of 1946 the ratio between the two segments was more nearly balanced with 51 pounds of each 100 in January, 47 pounds in February, and 40 pounds in March representing unobligated commodities and the residuals the obligated portions. If referrals and frozen meats are eliminated from the unobligated segment and added to the obligated portion, the ratio during March, 1946 would be 33 percent unobligated and 67 percent obligated.

Data^{2/} supplied by the Inventory Accounting Division indicate that as of February 28, 1946 there were 54.6 million pounds of commodities which were placed in storage prior to July 1, 1945. Grain with 28 million and Fruit and Vegetables with 12 million pounds comprised the largest proportion of the total. Preliminary data for March 31, 1946 total 37.8 million pounds, a reduction of 16.8 million pounds or 32 percent from the February report. (See chart below). Dairy products with a decline

COMMODITIES IN STORAGE PRIOR TO JULY 1, 1945, BY BRANCHES



* PRELIMINARY

^Δ EXCLUDES TABLETS, KILOS AND MU'S

[†] NONBASIC

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of 61 percent, exhibit the greatest decrease during the month and Fats and Oils, with 16 percent, the smallest. Changes in other commodities ranged between the two extremes.

Correlations and reconciliations cannot readily be made between the volume of documentation and commodity movements effected by the Program Operations Division and the inventories shown above. There always will be of necessity a lag between the time the commodities are either shipped or

^{1/} See footnote three on page 15.

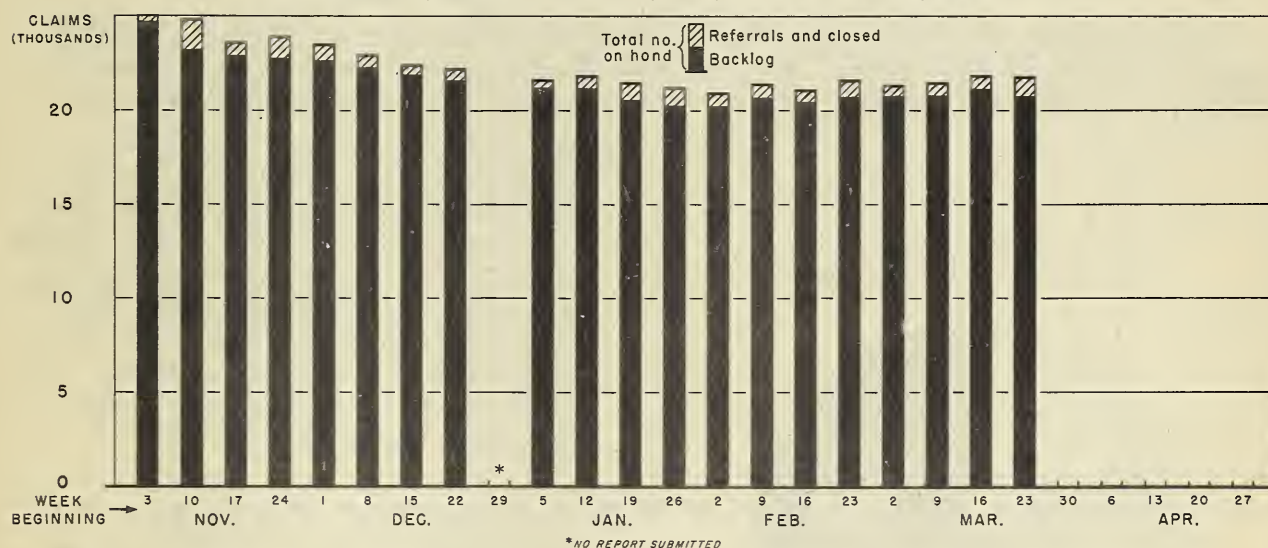
^{2/} Includes commodities for which disposition has been arranged but which may not have actually been shipped by the date these data were compiled.

earmarked for shipment and the date on which the actual documentary records are processed by the Inventory Accounting Division.

CLAIMS

There were 25,041 claims on hand at the beginning of the week of November 2, 1945. In the 21 weeks elapsing since that time, 10,968 claims have been received. A total of 15,261 claims have been disposed of with 9,565 being referred to the Fiscal Branch and 5,696 being closed. Considerable changes have marked each week's activity in respect to both new claims received and those terminated, however, the total referrals and completion have exceeded additions and there has been a net reduction of 4,337 claims during the period. (See chart below). This left a backlog of 20,748 claims still outstanding on March 29, 1946.

TOTAL NUMBER OF CLAIMS ON HAND AND BACKLOG OF CLAIMS OUTSTANDING,
BY WEEKS, BEGINNING NOV. 3, 1945, ENDING MAR. 29, 1946



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For the quarter ending in March, however, 4,639 claims were closed and 4,241 were referred as contrasted with 8,009 received; a net decrease of 771 claims.

During the month of March, representatives of the Shipping and Storage Branch and the Fiscal Branch agreed that the backlog of 8,000 transit claims was to be transferred to the Shipping and Storage Branch. Thus about 1,000 claims were added to S&S backlog. With this addition of 1,000 claims from Fiscal, the physical inventory of claims remained stationary while actually 1,509 claims were closed and 1,450 claims adjudicated and referred to Fiscal.

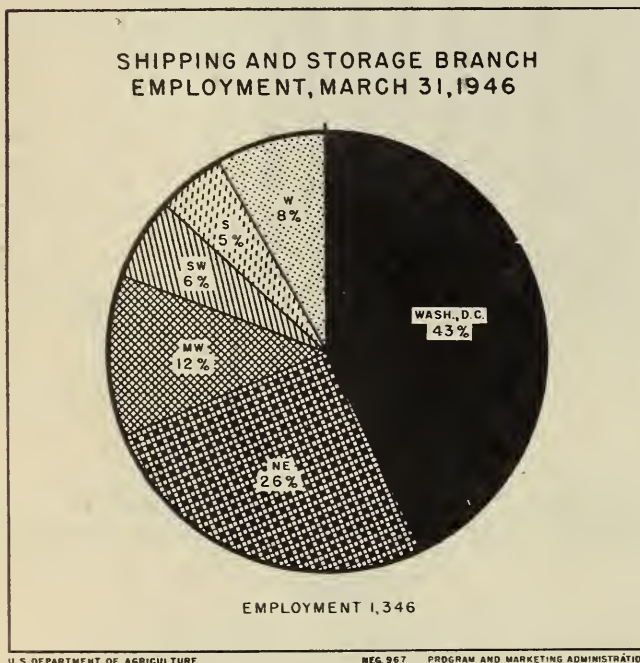
Besides the claims closed out and those referred to Fiscal, the Division has assembled all claims against the Pennsylvania Railroad for purposes of negotiating a settlement on the basis of total dollar value. Negotiations resulted in the settlement of approximately 245 claims for shortages on export shipments through the New York port. Some 1,300 claims, where arbitrary deductions had been made from carriers bills, will be closed out of our files and will be reflected in next month's report. The work connected with this project (mostly in one adjudicating section) materially reduced the number of claims adjudicated.

The monetary value of the claims closed show wide deviations, ranging from a low of \$2,683.10 during the week of November 17-23 to a high of \$49,769.47 during the week of February 9-15. The total cumulative value of all claims which were terminated between November 2, 1945 and March 29, 1946 amounted to \$413,175.58. Inasmuch as 5,696 cases were terminated, the average value of each claim was about \$72.55.

PERSONNEL

The number of employees in the Shipping and Storage Branch reached 1,381 on March 31, 1946. Approximately 43 percent of the total was attached to the Washington, D. C. offices and the remaining 57 percent

divided between the several Field Offices. The Northeast led all other Field Offices with 26 percent of the total employees and was followed in order by the Midwest with 12 percent, the Western with 8 percent, the Southwest with 6 percent, and the Southern with 5 percent. (See adjacent chart).

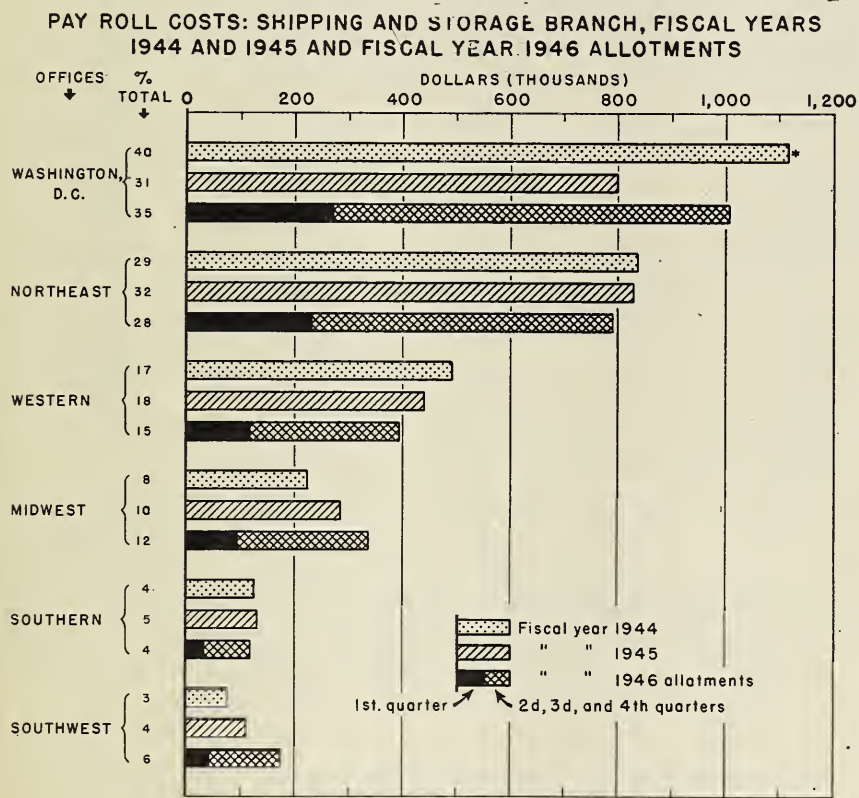


The Field Offices not only performed the work necessary to discharge the functions of the Shipping and Storage Branch, but also devoted several man hours during the month to the handling of Basic Commodities and to movements for the Army, wherein the Field Offices actually originate the shipment and handle the bills of lading. The Western area worked on 182 shipments for the Army while the Southwest Offices spent

450 man hours for the Cotton and Grain Branches and shipped 25 cars of rice for the Army. Personnel at the Mobile and Savannah sub-offices spent an estimated 829 man hours on cotton and fertilizers. Only a comparatively small amount of time was devoted to Basic Commodities or other Branch activities in the Northeast and Midwest areas.

PAYROLL COSTS ^{1/}

The Southwest and Midwest Offices have experienced a steady increase in total cost during each fiscal year whereas the Northeast and Western areas have shown steady reductions. The Southern area, on the other hand, had greater payrolls during fiscal year 1945 than fiscal year 1944 but smaller allotments for fiscal year 1946 than for either of the other two years. (See chart below).



Approximately 40 percent of total payroll costs were apportioned to the Washington, D. C. Offices during the 1944 fiscal year compared with 31 percent during the 1945 fiscal year, and 35 percent^{2/} of total allotments for fiscal year 1946.

There is a reasonably close correlation between the relative percentage distribution of total employment^{3/} and total payroll costs in each office over the three year span. (See table on page 20)

- ^{1/} Probably includes a portion of personnel service expenses of the Transportation and Warehouse Branch for fiscal year 1944.
- ^{2/} Does not include allotments of Inventory Accounting Division.
- ^{3/} Employment data supplied by Personnel Division of Production and Marketing Administration.

Relative Percentage Distribution of Total Employment
and Total Payroll Costs by Area Offices for
Fiscal Years 1944, 1945, and 1946 to Date

<u>Area Office</u>	<u>Fiscal Year</u>	<u>Percentage of Total Employment</u>	<u>Percentage of Total Payroll Costs</u>
Washington, D. C.	1944	33%	40%
	1945	30%	31%
	1946	34%	35%
Northeast	1944	29%	29%
	1945	33%	32%
	1946	29%	28%
Western	1944	17%	17%
	1945	17%	18%
	1946	12%	15%
Midwest	1944	11%	8%
	1945	11%	10%
	1946	14%	12%
Southern	1944	5%	4%
	1945	5%	5%
	1946	4%	4%
Southwest	1944	5%	3%
	1945	5%	4%
	1946	4%	6%

For example, the Northeast had an average of about 29 percent of total employment and 29 percent of total payroll costs of the Shipping and Storage Branch during the fiscal year 1944, 33 percent of employment and 32 percent of payroll costs during the fiscal year 1945, and for the 1946 fiscal year to date has about 29 percent of total employees and has been allotted 28 percent of the anticipated payroll expenses.

Events Which Handicapped Operations of Shipping and
Storage Branch between October 1, 1945
and March 31, 1946

Northeast Field Offices

1. New York elevator strike in October
2. New York longshoremen's strike October 2-19
3. Embargo 589 at New York October 8-19
4. Embargo 675 at New York November 13-17
5. Embargo 699 at Philadelphia and Baltimore November 20-28
6. Embargo 703 at New York November 21 to present
7. Embargo 731 at Philadelphia and Baltimore November 28-December 11
8. Faulty sewn bags for potatoes during November
9. Embargo 775 at New York December 21 to February 14
10. New York tugboat operators strike February 5-15
11. Embargo 116 at Baltimore February 26-March 7
12. Warehousemen's strike at Boston February 11 to March 11
13. Embargo 170, export freight consigned to USDA, BWWT, or UNRRA at Philadelphia and Baltimore, March 25 to present

Midwest Field Offices

1. Shortage of containers at Chicago in February
2. Shortage of lard containers at Chicago in March
3. Shortage of beef during March

Southern Field Offices

1. Shortage of wheat caused several mills to close down resulting in failure to meet contracts in February.

Southwest Field Offices

1. Galveston, Texas stevedore strike October 11-18
2. Houston, Texas car unloader's strike October 19-31
3. Galveston, Texas stevedore strike October 29-31
4. Lack of firm boat dates, New Orleans February 5
5. Embargo 129, export freight except grain and coal to Houston and Galveston, March 6 to present
6. Lack of firm ship dates at Galveston March 25

Western Field Offices

1. Strike at Continental Can Co. at Los Angeles during December
2. Car unloader's strike at Seattle during December
3. Shortage of freezer space at San Francisco in March

